



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

OFFICE OF THE
INSPECTOR GENERAL

December 10, 2009

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

FROM: Stephen D. Dingbaum */RA/*
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
GRANT MANAGEMENT PROGRAM (OIG-09-A-16)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR CORPORATE
MANAGEMENT, OFFICE OF THE EXECUTIVE DIRECTOR
FOR OPERATIONS, MEMORANDUM DATED
NOVEMBER 3, 2009

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated November 3, 2009. Based on this response, recommendations 1 through 9 have been resolved. Please provide a status of the resolved recommendations by May 7, 2010.

If you have any questions or concerns, please call me at 415-5915 or Steven Zane, Team Leader, at 415-5912.

Attachment: As stated

cc: N. Mamish, OEDO
J. Andersen, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO
S. Burns, OGC

Audit Report

AUDIT OF NRC'S GRANT MANAGEMENT PROGRAM

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Status of Recommendations

Recommendation 1: Resolve outstanding Lean Six Sigma [LSS] issues, including definition of the competitive grant process, roles and responsibilities, development of a shared electronic grant database, and scope of SBCR [Office of Small Business and Civil Rights] reviews.

Agency Response Dated
November 3, 2009:

Agree. Based on the issues and recommendations presented by the LSS team to agency senior managers on July 8, 2009, the Office of Administration (ADM) is updating Management Directive (MD) 11.6, "Financial Assistance Program." The draft MD will be provided to the LSS team by January 29, 2010, to serve as a baseline in resolving issues where a consensus could not be reached. Please note that the "scope of SBCR reviews" relates to EEO/Civil Rights compliance reviews.

Completion date for resolution of LSS team issues:
March 31, 2010.

OIG Analysis:

The agency's proposed actions address the intent of the recommendation. Recommendation 1 will be closed when the agency provides OIG with documentation that demonstrates that agreement has been reached on the outstanding LSS issues.

Status:

Resolved.

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Status of Recommendations

Recommendation 2: Update Management Directive 11.6 to comprehensively address the NRC's [Nuclear Regulatory Commission's] competitive and non-competitive grant program, including (a) roles and responsibilities of individuals and offices involved in the grant process; (b) process for awarding grants; and (c) required monitoring by project officers.

Agency Response Dated
November 3, 2009:

Agree. ADM is updating MD 11.6 to provide consistent policies and procedures for awarding competitive and non-competitive grants, the administration of those awards, and the roles and responsibilities of ADM Division of Contracts (DC) and program office personnel involved in the process.

Completion date for issuance of revised MD 11.6:
June 30, 2011.

OIG Analysis:

The agency's proposed action addresses the intent of this recommendation. Recommendation 2 will be closed once OIG reviews the updated MD 11.6 and determines it comprehensively addresses NRC's competitive and non-competitive grants program.

Status:

Resolved.

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Status of Recommendations

Recommendation 3: Issue interim guidance to accomplish the intent of recommendation 2, pending revision of Management Directive 11.6.

Agency Response Dated
November 3, 2009:

Agree. ADM will issue a draft update of MD 11.6, which will serve as written guidance to the NRC grants management staff until the MD is finalized.

Completion date: March 31, 2010.

OIG Analysis:

The agency's proposed action addresses the intent of the recommendation. Recommendation 3 will be closed when the agency provides OIG with a copy of the interim guidance provided to staff.

Status:

Resolved.

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Status of Recommendations

Recommendation 4: Develop grant specific training requirements for staff who work on grants to include a reasonable period of time (such as 18 months) for completion of the training.

Agency Response Dated
November 3, 2009:

Agree. The Office of Personnel Management (OPM) and the Grants Policy Committee (established by the U.S. Chief Financial Officers Council) are tasked with developing a government-wide grants management competency model. OPM published the results of their survey, "Competency Model for Grants Management," on September 24, 2009, to support Federal Agency Human Resources initiatives. The competencies identified by OPM will be used in the NRC efforts to develop training requirements. The Office of Human Resources and ADM will review grant training courses provided by commercial organizations, as well as internal training programs used by other Federal agencies and establish specific training for the NRC staff that will enhance their skills in managing grants.

Completion date for developing grant specific training requirements for staff: April 30, 2010.

OIG Analysis: The agency's proposed actions address the intent of the recommendation. Recommendation 4 will be closed when the agency provides OIG with a copy of the grant specific training requirements provided to staff, including a timeframe within which staff must complete the training.

Status: Resolved.

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Status of Recommendations

Recommendation 5: Ensure that staff working on grants complete the required training within the specified timeframe identified in response to recommendation 4.

Agency Response Dated
November 3, 2009:

Agree. Until grant staff complete the required training within an 18-month period, they will work under the direction of a senior grants specialist or an experienced grants project officer.

Completion date of required training: December 31, 2011.

OIG Analysis:

The agency's proposed actions address the intent of this recommendation. Recommendation 5 will be closed when the agency provides OIG with documentation clarifying the requirement that staff must complete the required training within the agency specified timeframe.

Status:

Resolved.

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Status of Recommendations

Recommendation 6: Develop a method for sharing up-to-date official file/grant documentation with all involved parties to include a formal electronic tracking and reporting system.

Agency Response Dated
November 3, 2009:

Agree. Currently, ADM's DC Automated Acquisition Management System provides access to documents by DC and program office personnel involved in the grants process. In addition, ADM will be developing a grants link in SharePoint that will include a document/reference library. ADM will review existing electronic grants systems and the capabilities under development within the Financial Accounting and Integrated Management System (FAIMIS) to determine a path that meets the needs of the agency, which fits within the NRC's Information Technology project framework, and complies, as determined necessary, with Office of Management and Budget (OMB) guidance to align with Grants Management Line of Business consortia.

Completion date of the SharePoint link: December 31, 2010.

Completion date for incorporation into FAIMIS:
June 30, 2012.

OIG Analysis:

The agency's proposed actions address the intent of this recommendation. Recommendation 6 will be closed when the agency demonstrates to OIG that all official file grant documentation is readily available to all parties involved in providing oversight and management of NRC grants.

Status:

Resolved.

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Status of Recommendations

Recommendation 7: Establish requirements for the content and organization of NRC official grant files.

Agency Response Dated
November 3, 2009:

Agree. ADM has a draft checklist with guidance describing requirements for the content and organization of the NRC official grant files. The draft will be reviewed and updated to establish formal requirements, which will be referenced in MD 11.6.

Completion date of final checklist and guidance: January 29, 2010.

OIG Analysis:

The agency's proposed actions address the intent of this recommendation. Recommendation 7 will be closed when NRC provides OIG with a copy of the grant file content and organizational requirements issued to staff.

Status:

Resolved.

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Status of Recommendations

Recommendation 8: Develop a quality assurance process for ensuring official grant files are complete.

Agency Response Dated
November 3, 2009:

Agree. Utilizing the tools being developed, the DC grants officer will be responsible for quality control reviews to ensure that all appropriate documentation is available and that files are organized consistently and systematically at time of award. Further, ADM will use a sampling method to determine compliance for assuring official grant files are complete. Where compliance is found to be lacking, corrective action steps will be taken to rectify the situation. Necessary training will be provided to staff where there is a general lack of compliance.

Completion date for developing a quality assurance process:
March 31, 2010.

OIG Analysis:

The agency's proposed actions address the intent of this recommendation. Recommendation 8 will be closed when the agency provides OIG with a copy of the quality assurance process that is implemented for ensuring official grant files are complete.

Status:

Resolved.

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Status of Recommendations

Recommendation 9: OIG [Office of Inspector General] recommends that the Executive Director for Operations and the General Counsel issue a regulation concerning suspension and debarment.

Agency Response Dated
November 3, 2009:

Agree. The Office of the General Counsel has begun drafting a regulation implementing OMB Suspension and Debarment Guidance. The NRC regulation will supplement OMB suspension and debarment guidance located at Title 2 of the *Code of Federal Regulations* (2 CFR) Part 180. Upon review and approval of the regulation, NRC will issue a rule to establish a new Chapter in (2 CFR), Subtitle B, "FEDERAL AGENCY REGULATIONS FOR GRANTS AND AGREEMENTS," on non-procurement debarment and suspension. This new part will be the NRC's implementation of the OMB guidance on non-procurement debarment and suspension. Such rulemaking is consistent with OMB's initiative to streamline and consolidate Federal regulations on non-procurement debarment and suspension. The text of the debarment rule was completed on October 29, 2009.

The completion date for publishing the new regulation:
October 31, 2011.

OIG Analysis: The agency's proposed actions address the intent of this recommendation. Recommendation 9 will be closed when the agency provides OIG with evidence that the regulation on suspension and debarment has been published.

Status: Resolved.